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ANNUAL
REPORT
1969
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SCOTTISH & YORK HOLDINGS LIMITED



Board of Directors

S. F. CHAPMAN
K. H. DOYLE
A. D. McEWEN
S. L. McCABE
K. R. THOMSON
J. A. TORY

Officers

K. R. THOMSON — *Chairman of the Board*
K. H. DOYLE — *President*
R. W. BROUGHTON — *Executive Vice President*
S. F. CHAPMAN — *Vice President, Finance*
W. J. ROGERS — *Vice President, Claims*
S. L. McCABE — *Vice President*
R. D. ABBOT — *Secretary-Treasurer*
N. W. McDERMOTT — *Assistant Secretary-Treasurer*

Transfer Agent

MONTREAL TRUST COMPANY

Auditors

THORNE, GUNN, HELLIWELL & CHRISTENSON

Bank

THE ROYAL BANK OF CANADA

Executive Office

100 UNIVERSITY AVENUE, TORONTO, CANADA

SCOTTISH & YORK HOLDINGS GROUP

SCOTTISH & YORK INSURANCE CO. LIMITED VICTORIA INSURANCE COMPANY OF CANADA

Officers

THE RT. HON. LORD THOMSON OF FLEET

K. H. DOYLE

S. F. CHAPMAN

S. L. McCABE

R. W. BROUGHTON

W. J. ROGERS

R. D. ABBOT

N. W. McDERMOTT

VICTORIA INSURANCE COMPANY LIMITED
(NASSAU, BAHAMAS)

CENTRAL CANADA INSURANCE SERVICE LIMITED
ONTARIO INSURANCE SERVICE

OVERSEAS INSURANCE SERVICES
(UNITED KINGDOM)

To the Shareholders:

Since we reported to you for the first six months of 1969, the general insurance industry has suffered a series of set-backs principally in automobile insurance. Our direct underwriting continued to show a reasonable profit. However, business assumed from other insurance companies reversed its favourable trend of the first half of the year and we incurred an overall loss on reinsurance.

The last quarter of 1969 was undoubtedly one of the worst periods ever experienced by general insurance companies in Canada, in the absence of a major catastrophe. We believe a good deal of the adverse experience in the industry is due to inflation. Higher cost of physical damage claims and the extremely generous bodily injury awards made by our courts have made it most difficult for insurance companies to produce underwriting profits.

The industry outlook for the early part of 1970 has not been too encouraging. However, we are now feeling a greater benefit from the general rate increases instituted in 1968 and 1969 and, with further rate increases effected in 1970, the outlook for the year as a whole is promising.

Our net profit for 1969 increased in excess of 8% on an increase in net premiums written of approximately 15%. Deferred revenue for the year increased by about 20%. In light of the experience of the industry as a whole, your company fared well.

During 1969 we increased our rate of dividend by 33% in line with our policy of paying out a reasonable portion of earnings in dividends.

Enclosed with this report is a Notice of the Annual and a General Meeting of Shareholders to be held on the 1st day of June, 1970.

On behalf of your Directors, it is my pleasure to express my sincere thanks to the officers and staff of your company for their efforts throughout the year.

Submitted by the Board of Directors,

K. H. DOYLE, President.

SCOTTISH & YORK HOLDINGS LIMITED
and subsidiary companies

Auditors' Report

To the Shareholders of
Scottish & York Holdings Limited

We have examined the consolidated balance sheet of Scottish & York Holdings Limited and subsidiary companies as at December 31, 1969 and the consolidated statements of income, retained earnings and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at December 31, 1969 and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada
March 23, 1970

THORNE, GUNN, HELLIWELL & CHRISTENSON,
Chartered Accountants.

SCOTTISH & YORK HOLDINGS GROUP

Five Year Performance Record

YEAR	GROSS PREMIUMS WRITTEN	NET PREMIUMS WRITTEN	DEFERRED REVENUE
1969	11,309,620	7,928,893	2,319,900
1968	9,068,256	6,893,469	1,946,976
1967	7,873,037	4,626,134	1,480,032
1966	6,580,000	3,604,772	1,090,416
1965	4,415,409	1,451,313	364,206

NOTE: Per share amounts prior to 1967 adjusted for three-for-one subdivision of capital stock made in November 1967 and two-for-one subdivision of capital stock made in June 1966.

INCOME BEFORE TAXES	INCOME TAXES	NET INCOME	EARNINGS PER SHARE	DIVIDENDS PAID PER SHARE
1,633,731	481,779	1,158,327	.77¢	.30¢
1,534,344	460,850	1,070,701	.71¢	.21¢
1,154,910	441,951	712,959	.47¢	.13¢
924,306	233,636	690,670	.46¢	.07¢
536,555	127,231	409,324	.27¢	.07¢

